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COLONIAL REPORTS—ANNUAL

Annual Report on the Social and Economic
Progress of the People of the

FALKLAND ISLANDS
1938

(For Report for 1936 see No. 1808 (Price 1s. 3d.) and
for Report for 1937 see No. 1888 (Price 9d.).)

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ANNUAL REPORT ON THE SOCIAL AND ECONOMIC PROGRESS OF THE PEOPLE OF THE COLONY OF THE FALKLAND ISLANDS AND ITS DEPENDENCIES FOR THE YEAR 1938

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PART I.—THE COLONY.

I.—GEOGRAPHY, CLIMATE AND HISTORY

The Falkland Islands lie in the South Atlantic Ocean some 300 miles east and somewhat to the north of the Straits of Magellan between 51° and 53° south latitude and 57° and 62° west longitude. In addition to the two main islands, known as the East and West Falklands, which are divided by the Falkland Sound, running approximately north-east and south-west, the group comprises about 200 smaller islands clustered around them within a space of 120 by 60 miles. The area of the group, as computed by measurement from the Admiralty chart, is as follows :

	<i>Square Miles.</i>	
East Falkland and adjacent islands	2,580	
West Falkland and adjacent islands	2,038	
Total area of the group	4,618	

The islands have a very deeply indented coast-line and possess many excellent harbours and anchorages. The surface is hilly, attaining its maximum elevation of 2,315 ft. in Mount Adam on the West Falkland. There are no rivers navigable at any distance from the coast. The entire country is covered with wild moorland interrupted by outcrops of rock and the peculiar collection of angular boulders called "stone runs" the origin of which is scientifically disputed. There is no cultivation except in the immediate vicinity of the farm settlements and shepherds' houses where vegetables and in some places oats and hay are grown. The soil is chiefly peat, but considerable areas of sand also occur. In comprehensive appearance the Falkland Islands are bleak and inhospitable. Trees are almost entirely absent and the scenery is said to resemble parts of Scotland and the northern islands. The only town is Stanley, the capital, situated on a natural harbour entered from Port William, at the north-east corner of the group. It has about 1,200 inhabitants. Smaller settlements have been established throughout the Colony as the headquarters of the various farm stations into which it is divided; of these the most important is Darwin, the headquarters of the Falkland Islands Company, with a population of about 100 persons.

The climate of the Falkland Islands is characterized by the same seasonal variations as in the United Kingdom. These are, however, less noticeable in the Colony on account of its scant vegetation. The winters are slightly colder and the summers much cooler than in London, which is about as far north of the equator as Stanley is south. The average midsummer temperature of the Colony is even lower than the annual mean at London. While the relatively low temperatures are mainly due to the oceanic circulation, the daily weather is largely dependent on the direction of the wind, which, not infrequently, is so inconstant as to give rise to wide ranges of temperature within short intervals. Though the annual rainfall is not excessive, averaging only 26 in., precipitation occurs on two out of every three days in the year, and, in consequence, the atmosphere is usually damp. A large proportion of the days are cloudy and tempestuous, calm, bright weather being exceptional and seldom outlasting 24 hours.

The Falkland Islands, called by the French "Iles Malouines" and by the Spaniards "Islas Malvinas," were discovered on 14th August, 1592, by John Davis in the *Desire*, one of the vessels of the squadron sent to the Pacific under Cavendish. They were seen by Sir Richard Hawkins in the *Dainty* on 2nd February, 1594. and were visited in 1598 by Sebald Van Weert, a Dutchman, and styled by him the Sebald Islands, a name which they still bear on some of the Dutch maps. Captain Strong in the *Welfare* sailed through between the two principal islands in 1690 and called the passage, where he landed at several points and obtained supplies of wild geese and fresh water, the Falkland Sound, in memory of

the well-known Royalist, Lucius Cary, Lord Falkland, killed at the battle of Newbury in 1643; and from this the group afterwards took its English name of "Falkland Islands" although this name does not appear to have been given to it before 1745.

The first settlement on the islands was established in 1764 by de Bougainville on behalf of the King of France, with a small colony of Acadians transferred from Nova Scotia, at Port Louis in the East Falkland Island on Berkeley Sound. In the following year Captain Byron took possession of the West Falkland Island and left a small garrison at Port Egmont on Saunders Island, which lies off and close to the north coast of the mainland.

The Spaniards, ever jealous of interference by other nations in the southern seas, bought out the French from the settlement at Port Louis, which they renamed Soledad in 1766, and in 1770 forcibly ejected the British from Port Egmont. This action on the part of Spain led the two countries to the verge of war. The settlement was restored, however, to Great Britain in 1771, but was again in 1774 voluntarily abandoned. The Spaniards in turn abandoned their settlements early in the nineteenth century, and the entire group of islands appears for some years to have remained without formal occupation and without inhabitants until in 1829 Louis Vernet, enjoying the nominal protection of the Government of the Republic of Buenos Aires, planted a new colony at Port Louis. Vernet thought fit to seize certain vessels belonging to the United States' fishing fleet and in 1831 his settlement suffered from an American punitive expedition. Finally, in 1833, Great Britain, who had never relaxed her claim to the sovereignty of the Falkland Islands, expelled the few Argentine soldiers and colonists yet remaining at Port Louis and resumed occupation, which has been maintained without break to the present day.

The Colony was under the charge of Naval Officers engaged in making Admiralty surveys until 1843, in which year a Civil Administration was formed, the headquarters of Government being at Port Louis until 1844, when they were removed to Stanley, then called Port William. Prior to the opening of the Panama Canal, the Falkland Islands lay on the main sea route from Europe, through the Straits of Magellan to the west coast of South America, and in the days of sail frequently harboured vessels which had been worsted in the struggle to round Cape Horn. On 8th December, 1914, they were the scene of the naval battle in which Sir F. C. Doveton Sturdee defeated and destroyed the German Squadron under Admiral Graf von Spee, and a memorial commemorating this victory was unveiled at Stanley on 26th February, 1927.

II.—GOVERNMENT.

At the head of the Government of the Colony is the Governor and Commander-in-Chief, who is advised by an Executive Council consisting of five official and two unofficial members. There is also a Legislative Council composed of four official and four unofficial

members, the latter being nominated by the Crown. The Colony received a regular grant-in-aid from the Imperial Treasury until 1880, and a special grant for a mail service until 1885, since which date it has been wholly self-supporting. There is no local Government in the Colony.

III.—POPULATION.

The population is almost entirely white and has been derived to a large extent from the United Kingdom. There is a considerable element of Scandinavian blood.

The estimated population on the 31st of December, 1938, was 2,378 made up of 1,308 males and 1,070 females. The density of the population is about one person to every two square miles. Approximately one-half of the inhabitants live in Stanley, the capital, and the remainder are divided more or less equally between the outlying districts of the East and West Falklands. The number of births registered in 1938 was 41, and of deaths 20, or respectively 17·24 and 8·41 per 1,000. Fourteen marriages were celebrated during the year. Three deaths occurred among infants under two years of age. 133 persons arrived in the Colony and 167 left in the course of the period under review.

IV.—HEALTH.

The climate is healthy, especially in the Camp districts but damp in and about Stanley; consequently it is not very suitable for persons with any rheumatic tendencies.

During the summer months the constant high winds are rather trying. The weather conditions in winter are slightly milder and more pleasant than those of the north of England. The conditions of living are simple; the ordinary social amenities of a larger Colony are almost entirely lacking. The quality of the food is good but lacks variety, especially with regard to vegetables, but with care in cultivation it is possible to guarantee at least a nine months' supply. Fruit is imported from Montevideo and the supply becomes better each year with the improved transport and a greater local demand. Steps are being taken by both the Medical and Agricultural Departments to improve the supply of fresh milk in the town of Stanley. Two licensed dairies are now in operation.

Dental caries is very prevalent amongst the Falkland Islanders, the children suffering from defective teeth at a very early age. The Dental Surgeon makes periodical tours of the East and West Falklands and holds a special clinic for school children every Saturday morning.

Vaccination is compulsory and the Vaccination Ordinance is rigidly enforced, every Medical Officer being appointed a Public Vaccinator for the area in which he is stationed.

Gastritis and dyspepsia are common complaints. Eight appendicectomies were performed during 1938. From time to time outbreaks of acute enteritis occur but so far the origin of these outbreaks has not been definitely determined.

Coryza in epidemic form is very common.

Six cases of tuberculosis were under treatment during the year. The incidence of bovine tuberculosis is being investigated, the double intradermal test being used.

Several school children were under treatment for impetigo contagiosa. Thread worm infection is very common among the children also.

Twenty-nine confinements took place in the hospital and two in the town, making a total of 31 as compared with 37 in the previous year.

The Government maintains out of public funds a hospital in Stanley, the King Edward VII Memorial Hospital. The hospital has 17 beds, an operating theatre, quarters for nurses, stores, and an out-patient department. Outside buildings provide an office and workshop for the Dental Surgeon, and also a drug store and laboratory. An improved X-ray apparatus has been installed.

The staff of the Medical Department includes a Senior Medical Officer, two Medical Officers, one of whom is stationed on the West Falkland Island, a Dental Surgeon, a Nurse Matron and a qualified Nursing Sister, in addition to junior nurses locally recruited and trained.

A Medical Officer made periodical tours of the North-East Falkland, the remainder of the East Falkland being under the Falkland Islands Company's Medical Officer stationed at Darwin.

During the year the Senior Medical Officer made an extensive tour of the East and West Falklands.

The out-patient department of the hospital provides ante-natal and post-natal services. Maternity nursing services are provided for Stanley and outlying districts.

During the year 1938, 224 persons were admitted to the hospital as compared with 219 in the previous year and 730 first attendances and 1,094 subsequent visits were seen in the out-patients department. Eight deaths occurred in hospital; 164 operations were performed as compared with 184 in the previous year.

The medico-electrical section of the out-patient department has carried out successful work during the year with radiant heat, vapour and Turkish baths, especially valuable in skin disease and muscular rheumatism.

Artificial sunlight treatment has been carried out in cases of adenitis and anaemia in children, and also in cases of tubercular bone and joint disease. General irradiation has also been given.

In the town of Stanley, sewage is disposed of partly by the water-carriage system and partly by the earth closet method. The disposal of sewage, which is deposited in the harbour, is efficient as it is carried out to sea by the strong tidal currents.

In accordance with the Public Health By-laws, all ashes and household refuse must be stored in properly constructed bins which are emptied fortnightly by a Contractor. This system is found to work satisfactorily.

The water supply is wholesome and satisfactory. Water is brought by pipe-line from a distance of three miles and stored in a reservoir and a tank with an aggregate capacity approximating to 500,000 gallons. Distributing mains have now been extended so as to serve the whole of Stanley. The inhabitants have taken advantage of the facilities offered, and the use of rain water from tanks and barrels is gradually disappearing.

The system of roads in Stanley is now adequate for present needs. The drainage system of the town continues to be improved.

Bi-annual rat weeks continued, with considerable success, and rats appear to have diminished as a result, but they are still numerous enough to warrant periodical poison-baiting of rubbish dumps, waste lands and the foreshore.

V.—HOUSING.

The houses erected are of a suitable type, and conform to the requirements of the Board of Health as regards both construction and sanitary arrangements. There is no overcrowding in Stanley, the rate of building being adequate to the needs of the population. In the majority of cases, the wage-earning population own their own houses, which are well built and comfortable. Building loans are made by the Government in suitable cases, to facilitate the construction of new houses. The Government also maintains sufficient accommodation for its officials, and two blocks of tenement dwellings which are rented to the more necessitous families in the community.

All premises in the town are regularly inspected by the Sanitary Inspector, and householders are requested to keep their premises in as sanitary a condition as circumstances permit. Power is vested in the Board of Health to condemn premises as unfit for human occupation. In general terms the housing of the people may be said to be fully satisfactory.

VI.—NATURAL RESOURCES.

The whole acreage of the Colony is divided into sheep farms varying approximately in extent from 24,000 to 150,000 acres and carrying on the average between 8,000 and 35,000 sheep, or say one sheep for every three to five acres.

The Colony has no resources of known value apart from the production of wool, skins and tallow. Forage crops are produced to a limited extent but with this exception there is practically no agriculture in the Colony. The country may be said to be still in its virgin state and is capable of development. With the exception of some 40,000 acres of Government Reserve the entire land is under alienation.

The Agricultural Department established in 1937 continued its work during the year in connection with the investigation of the sheep farming industry. Work on the improvement of the pastures on Stanley Common was also carried out and included surface draining. Sowing of large areas of land with English grasses, planting of Tussac and Sand grasses and the erection of sub-divisional fences.

The average production of wool during the past five years was four million pounds annually. The actual weight of wool exported in 1938 was 3,618,327 lb. valued at £163,109, or less by 984,632 lb. than the previous year. The average price realized was 10·81 pence per lb.

Some 29,000 sheep were exported during the year to Chile for freezing and re-export for sale on the market in the United Kingdom. The estimated value of the sheep exported was £14,508.

Hides and Skins exported during the year were valued at £19,436 as against £17,923 in 1937, an increase of £1,513.

Livestock.—A number of rams and ewes were imported from New Zealand and Patagonia in 1938 for the purpose of improving the flocks in the Colony, and two Freisian bulls were imported from New Zealand by the Government with a view to the improvement of the cattle herds in the islands.

Seal Oil.—The Falkland Islands and Dependencies Sealing Company, Limited, which has confined its activities hitherto to the production of oil from hair seal, was unable to continue operating in 1938 on account of the unfavourable market conditions.

The whole of the produce of the Colony is exported to the United Kingdom.

VII.—COMMERCE.

With the exception of meat and a limited quantity of garden produce practically the whole of the Colony's requirements in foodstuffs is imported.

The total value of imports and exports for the year under review and each of the preceding four years is shown in the following tables :—

IMPORTS.

	1934.	1935.	1936.	1937.	1938.
	£	£	£	£	£
Food, drink and tobacco	35,113	32,741	34,078	40,100	38,457
Raw materials and articles mainly unmanufactured	9,125	10,513	13,403	12,601	16,828
Articles wholly or mainly manufactured ...	45,644	48,599	51,245	57,476	53,967
Miscellaneous and un- classified ...	1,315	8,988	2,401	5,450	4,065
Bullion and specie ...	750	—	960	1,125	205
<i>Total imports</i> ...	<u>£91,947</u>	<u>100,841</u>	<u>102,087</u>	<u>116,752</u>	<u>113,522</u>

EXPORTS.

	1934.	1935.	1936.	1937.	1938.
	£	£	£	£	£
Wool ...	130,325	109,381	98,684	162,511	163,109
Hides and skins ...	9,257	6,927	7,825	17,923	19,436
Tallow ...	1,867	2,070	2,089	2,618	829
Livestock ...	—	457	591	13,773	15,236
Seal oil ...	16	4,135	6,581	4,200	—
Other articles ...	1,249	1,331	887	2,995	2,096
<i>Total exports</i> ...	<u>£142,714</u>	<u>124,301</u>	<u>116,657</u>	<u>204,020</u>	<u>200,706</u>

There were no re-exports during the year.

Imports.

The percentage of total imports provided by the British Empire and foreign countries for the year under review and each of the preceding four years is given below:—

	British Empire. Per cent.	Foreign Countries. Per cent.
1934 ...	79·73	20·27
1935 ...	77·53	22·47
1936 ...	78·62	21·38
1937 ...	76·23	23·77
1938 ...	72·95	27·05

The principal supplying countries were:—

	1934.	1935.	1936.	1937.	1938.
	£	£	£	£	£
United Kingdom ...	73,234	71,561	80,143	85,107	78,750
Other parts of British Empire	84	6,624	116	3,756	4,072
Argentina ...	3,459	3,904	5,520	4,263	4,105
Brazil ...	1,054	2,272	1,035	1,848	—
Chile ...	3,530	6,209	4,491	9,839	4,725
Sweden ...	—	—	—	—	10,333
Uruguay ...	9,780	9,118	9,567	9,701	7,519
U.S.A. ...	—	—	—	—	3,129

The principal articles imported during 1938 and the previous year were as follows:—

	1937.		1938.		<i>Principal sources of supply with values in £.</i>
	<i>Value.</i>	<i>Quantity.</i>	<i>Value.</i>	<i>Quantity.</i>	
Provisions ...	£ 23,039	—	£ 23,431	—	United Kingdom (19,340), Uruguay (1,519), Argentine (1,286).
Hardware ...	21,133	—	18,498	—	United Kingdom (18,498).
Drapery ...	5,012	—	4,217	—	United Kingdom (4,217).
Coal, coke and oil fuel.	4,769	—	2,481	—	United Kingdom (511), Uruguay (1,320).
Timber ...	6,452	—	14,317	—	United Kingdom (2,812), Sweden (9,917), Chile (1,471).
Paints, etc. ...	5,064	—	5,664	—	United Kingdom (2,743), Uruguay (2,343), Argentine (361).
Chemicals ...	4,760	—	5,614	—	United Kingdom (4,951), Argentine (300).
Beer ...	2,789	gal. 17,032	2,584	gal. 14,986	United Kingdom (2,567).
Spirits ...	3,613	4,657 lb.	4,007	4,727 lb.	United Kingdom (3,923).
Tobacco ...	4,321	13,215 gal.	3,232	9,415 gal.	United Kingdom (3,198).
Wines ...	1,130	1,503	883	1,128	United Kingdom (670), France (111).

Exports.

Almost the entire trade continued, as in previous years, to be with the United Kingdom, shipments to other countries being inconsiderable.

The values and quantities of the principal domestic exports for the years 1937 and 1938 are given in the table below:—

	1937.		1938.	
	<i>Value.</i>	<i>Quantity.</i>	<i>Value.</i>	<i>Quantity.</i>
Wool ...	£ 162,511	lb. 4,560,063	£ 163,109	lb. 3,618,327
Tallow ...	2,618	205,896 No.	829	167 No.
Hides and sheepskins	17,923	110,153 bls.	19,436	88,251
Seal oil ...	4,200	1,654	—	—

The decrease in the quantity of wool exported as compared with 1937 is due to the fact that shipments in respect of the 1937-8 clip were made in December, 1937, instead of being held over until the following month of January which is the usual procedure.

Coin and Notes.—Statistics of the imports of coin for the year 1938 and the previous four years are as follows :—

					£
1934	...	...	...	...	750
1935	...	...	...	...	—
1936	...	...	...	...	960
1937	...	...	...	...	1,125
1938	...	...	...	...	205

There were no imports of notes and exports of coin or notes during the five years 1934 to 1938.

VIII.—LABOUR.

The labour conditions of the Colony are such that it has not been found necessary to establish a Labour Department.

The principal industry, which is sheep-farming, absorbs labour to the extent of some 500 persons. In Stanley employment is almost solely at the disposal of the Government and of the Falkland Islands Company, Limited. During the year an average number of 60 men, exclusive of monthly employees, were on the pay roll of the Public Works Department. Surplus labour in 1938 was absorbed by the Agricultural Department on works in connection with the improvement of pastures, an average of 40 being employed throughout the year.

Legislative provision exists for the payment of compensation to workmen for injuries suffered in the course of their employment. Legislation was enacted in the year 1932 empowering the Governor in Council to fix minimum wages for any occupation in any district in which these are considered unreasonably low. Up to the present it has not been found necessary to exercise that power.

IX.—WAGES AND COST OF LIVING

Rates of wages and hours of work remained the same throughout the year. Unskilled labourers were paid at the rate of 1s. 2d. an hour while skilled labourers and artisans received 1s. 4d. and 1s. 7d. an hour respectively. The number of hours worked per day was eight with a total of 40 to 45 a week. Wages for housemaids in domestic service with free board and lodging vary from £2 to £3 10s. per month; cooks receive from £3 to £4 10s. per month.

The average rate of wages on farm stations remained at £5 to £8 a month, with free quarters, fuel, meat and milk.

The cost of living varied little during the year, the average prices of the main articles of food being :—

Mutton	...	...	...	3d. per lb.
Beef...	...	...	...	4d. per lb.
Pork, fresh...	...	...	...	1s. per lb.
Fowls	...	...	...	2s. to 3s. each.
Fish, fresh	...	...	...	2d. to 3d. per lb.
Eggs	...	...	...	2s. to 3s. per doz.
Milk...	...	...	...	8d. to 1s. per quart.
Potatoes	...	...	...	1½d. to 3d. per lb.
Bread	...	...	...	1s. per 4-lb. loaf.
Sugar	...	...	...	2d. per lb.
Tea ...	...	...	...	2s. to 3s. per lb.
Coffee	...	...	...	1s. 10d. to 2s. 8d. per lb.
Fresh vegetables	...	...	...	5d. per lb.
Butter (imported)...	...	...	...	1s. 6d. to 2s. per lb.

The supply of fresh fish, fowls, and fresh pork is uncertain and irregular and in consequence diet is somewhat limited in variety.

The cost of living is moderate. There are no hotels in Stanley in the accepted sense of the term, but there are several boarding-houses which offer a reasonable degree of comfort and convenience for residents and occasional visitors, with charges ranging from £2 2s. to £3 3s. per week.

Unfurnished houses for workmen cost from £2 to £3 10s. per month.

In the majority of cases the Government provides houses for its officials. Houses, if not provided by the Government, are difficult to obtain and the average rent of an unfurnished house is £50 a year.

X.—EDUCATION AND WELFARE INSTITUTIONS.

Education of children between the ages of five and fourteen years residing in Stanley is compulsory. There are two schools in Stanley, both elementary, the one maintained by the Government and the other by the Roman Catholic Mission. Provision is made at the Government school for attendance at a continuation class for a two-year course of more advanced study. Grants are made by the Government in approved cases to enable children from country districts to be taught in Stanley.

Children who are unable to come to Stanley are taught by travelling teachers of whom the Government maintains three on the West Falkland and one on the East Falkland. The Falkland Islands Company, Limited, also maintains a schoolmaster at its settlement at Darwin, and in addition two itinerant schoolmasters for service in the outlying districts of Lafonia.

There are no facilities in the Colony for higher or vocational education.

There are no Government institutions, orphanages, or Poor Law institutions. Poor relief is granted by the Government in certain necessitous cases. The total amount expended in this connection in 1938 amounted to £725. A society known as the Stanley Benefit Club insures its members for sickness and death.

In Stanley there are three social clubs, the Colony Club, the Falkland Club and the Working Men's Social Club. Football is played throughout the year and the Stanley golf course provides a pleasant alternative to badminton under cover. Tennis and cricket are scarcely attempted. The most popular pastime is rifle shooting and the Defence Force Rifle Association, which is affiliated to the National Rifle Association, holds an annual meeting in Stanley on the lines of those held at Bisley. The Colony has been represented at Bisley by teams in the Junior Kolapore and Junior MacKinnon competitions for a number of years. The Falkland Islands were successful in winning the Junior Kolapore Cup in 1930 and 1934 and the Junior MacKinnon trophy in 1937. Miniature rifle shooting in the Drill Hall and in several of the Camp districts is also very popular during the winter months. The local Miniature Rifle Club has been successful from time to time in the competitions inaugurated by the Society of Miniature Rifle Clubs. In 1933 it carried away the honours in the Dominion Clubs' Team Shoot.

The Stanley Sports Association holds an annual sports meeting in December of each year for horse racing and athletic events.

Physical training forms an important part of the regular curriculum of the Government school as well as football, hockey and gymnastics.

There are also public baths and a well-equipped gymnasium.

The Town Hall, Stanley, in addition to housing the offices of several Government departments and the Museum, contains a fine main hall which is used for functions of varying description and for dances ; the floor is well-sprung and can hold up to two hundred and fifty couples at a time.

There is one sound cinema in Stanley and also a public library with books to suit every taste.

XI.—COMMUNICATIONS AND TRANSPORT.

Communications between Stanley and the outside world is affected principally through Montevideo, to which port a service is maintained in accordance with actual requirements by the s.s. *Lafonia*, a vessel of some 1,800 tons dead weight belonging to the Falkland Islands Company, Limited, and running on a mail contract for a period of five years from January, 1937. The vessel also makes occasional voyages to Patagonia. The s.s. *Fitzroy*, of some 600 tons dead weight, hitherto maintained by the Falklands Islands Company, Limited, was taken off service and offered for sale in 1938.

The distance from Stanley to Montevideo is rather more than 1,000 miles and the time taken on the voyage by the s.s. *Lafonia* averages 4 days. The average time occupied in the transit of mails to and from the United Kingdom, via Montevideo, is 26 days. Opportunities for the receipt and despatch of mails are available every four weeks.

Communication with South Georgia is maintained by the Falkland Islands Company's s.s. *Lafonia* which makes two voyages between Stanley and the Dependency during the year. The time occupied on the voyage in either direction averages three days.

The Government operates a wireless station for external traffic at Stanley under the style of the Falkland Islands Radio. Regular communication is maintained with London and Montevideo, while the South Georgia Radio at Grytviken provides a link between Stanley and that Dependency.

Telegraphic charges to the United Kingdom are 1s. 3d. a word for ordinary, 10d. a word for code, and 7½d. a word for deferred messages.

No submarine cables exist.

Postage to the United Kingdom and the Empire is 1d. per ounce.

During the year 1938 there were 239 wireless sets licensed.

A broadcast relay service is maintained by the Government. The fee for subscribers to this service is £1 per annum and the number of subscribers in 1938 was 112. Overseas programmes are relayed from the studio to subscribers. Local programmes of gramophone records are also given, as well as news and sports items from London.

Communication between Stanley and the farms is carried out on horseback or by boat. There are no railways and no roads beyond the immediate vicinity of Stanley. The inter-insular service for mails and passengers is carried out by the s.s. *Lafonia*.

No inland telegraphs exist, but a telephone system is maintained by the Government in Stanley both for official and general use. Several of the farm stations have their own lines which are connected to the Stanley system on the East Falkland and on the West Falkland converge at Fox Bay where the Government maintains a small wireless station for inter-insular traffic. Two farm stations have constructed radio stations of lower power for local communication.

There are no omnibuses or tramways plying for the service of the public in the Falkland Islands; nor has the aeroplane as yet been introduced although the possibility of development in this direction would seem certainly to warrant investigation.

The number, nationality, and description of the vessels which entered the Colony from overseas during 1938 are shown in the table below :—

<i>Nationality.</i>		<i>Steam Vessels.</i>	<i>Tonnage.</i>
British	... ..	29	35,938
Foreign	... ..	3	708
		<hr/>	<hr/>
		32	36,646
		<hr/>	<hr/>

XII.—PUBLIC WORKS

During the year roads in Stanley were reconditioned with bitumen and shingle and are all in good condition, roads to the camps were reconditioned over considerable areas and roads to peat banks are still extending.

Further drainage was laid at the east end of the town connecting all new roads to sewers.

A new concrete block building was erected for Secretariat and Treasury Offices, and quarters erected for the orderly and caretaker at Government House.

Alterations in Government buildings included an addition to the laundry of a steam-heated drying-room at the King Edward Memorial Hospital, a workshop with modern equipment at the Public Works garage, a workshop at the Agriculture Station, and improved facilities at the Quarantine Station.

The total expenditure incurred under Public Works was £26,174.

XIII.—JUSTICE, POLICE AND PRISON.

The judicial system of the Colony is administered by a Supreme Court in which the Governor sits alone as Judge, and a Magistrate's Court in Stanley. A number of the farm managers are Justices of the Peace, and as such, have power to deal with minor offences. There is a local Police Force consisting of four constables and a Chief Constable. The Chief Constable is also gaoler-in-charge of the gaol in Stanley, which accommodates only short-sentence prisoners.

In general the Colony shows a remarkable absence of crimes of violence, while serious crime of any description is rare. Cases of petty theft and of injury to property, however, occur from time to time. Fifteen persons were dealt with in 1938 in the Summary Court and of this number, fourteen were convicted. No criminal issue came before the Supreme Court during the year and no cases came before the juvenile court.

The prison in Stanley was inspected regularly by the medical authority and was found to be in a clean and satisfactory condition.

XIV.—LEGISLATION.

Eighteen Ordinances were passed by the Legislative Council in 1938. In addition to the Supplementary Appropriation (1937) Ordinance, No. 1, and the Appropriation (1939) Ordinance, No. 14, the following measures were enacted :—

The Dairy-Produce Ordinance, relating to the Inspection of Dairies and the Manufacture and Sale of Dairy-Produce.

The Civil Procedure Ordinance, making provision for Procedure in Civil Courts.

The Lighting Control Ordinance, providing for the total or partial cessation of lighting in the Colony by regulation of the Governor in Council on occasions of emergency or public danger or by way of experiment or practice for such occasions.

The Registration (Amendment) Ordinance, amending the Registration of Still-births.

The Government Employees Provident Fund Ordinance establishing a Provident Fund for certain non-pensionable employees of the Government.

The Medical Practitioners, Midwives and Dentists (Amendment) Ordinance, enacting a minor amendment to existing legislation.

The Petroleum-Spirit Ordinance, providing for the safe storage of petroleum spirit.

The Publications Importation (Prohibition) Ordinance, providing for the prohibition by Order of the Governor in Council of the importation into the Colony of any publication.

The Seditious Offences (Penalties) Ordinance, making provision for penalties for seditious offences in the Colony.

The Merchant Shipping (International Labour Convention) Ordinance, giving effect to a certain draft Convention adopted by the International Labour Conference relating to an unemployment indemnity for seamen in the case of loss or foundering of their ship.

The Registration of United Kingdom Trade Marks Ordinance, providing for the registration in the Colony of trade marks registered in the United Kingdom.

The Administration of Justice (Amendment) Ordinance, enacting a minor amendment to existing legislation.

The following subsidiary legislation was also enacted during the year :—

Proclamation dated the 16th of March, bringing into force Ordinance No. 4 of 1937.

Order in Council dated the 10th of March, prohibiting the importation of tear-gas into the Colony.

Regulations amending existing legislation relating to whaling.

Regulations making it compulsory for all vessels to carry lights while under way in Stanley Harbour.

Regulations making provision for the appointment of nurse probationers at the King Edward VII Memorial Hospital.

By-laws repealing and replacing existing Board of Health By-laws.

Regulations repealing and replacing existing legislation with regard to medical fees.

Regulations making provision for the control of dairies and dairy-produce.

Regulations enacting minor amendments to existing legislation regarding leave and passages.

XV.—BANKING, CURRENCY, AND WEIGHTS AND MEASURES.

There are no banks in the Colony other than the Government Savings Bank. Interest is paid at the rate of $2\frac{1}{2}$ per cent. The total sum deposited at the close of the Bank's financial year on the 30th of September, was £200,460, and the number of depositors 1,085. The average amount standing to the credit of each depositor was £184, or about £84 per head of the population.

Remittances for the credit of any person or firm in the Colony can be made through the Commissioner of Currency and the Crown Agents for the Colonies, a charge being payable at the rate of one per cent. The Falkland Islands Company, Limited, who act generally as bankers or financial agents for the farm stations, also undertake a similar service.

The legal tender currency is British sterling and local £5, £1 and 10s. notes issued under the Falkland Islands Currency Notes Ordinance, 1930. The estimated value of coin and notes in circulation on the 31st of December was £3,000 and £24,500 respectively.

Imperial weights and measures only are used in the Colony.

XVI.—PUBLIC FINANCE AND TAXATION.

The revenue of the Colony for the year 1938 from all sources was £70,553 as compared with £85,599 in 1937 and from ordinary sources £61,619 as against £69,656 in the preceding year. The decrease in revenue is due mainly to short falls under the following heads of revenue:—IV Fees, Fines (£709), V Interest (£697), VIII Rents (£212), IX Miscellaneous (£3,155), and X Contribution from the Dependencies (£2,010).

The actual ordinary expenditure was £58,162 or more by £9,297 than the previous year and less by £3,457 than the revenue from ordinary sources.

The principal contributory causes to the excess expenditure on recurrent services in 1938 were an over-expenditure of £3,241 under head XVII Miscellaneous and £5,314 under head XIX Public Works recurrent due to the bringing to account against the various votes of the value of the balance of the Unallocated Stores Account on the 1st of January, 1938. In addition a sum of £10,560 was expended on Public Works Extraordinary which amount exceeded the original estimate by £2,165. The excess is due to the extra provision of £3,000 required to expedite the completion of the Secretariat building.

The revenue from all sources during the year was less than the expenditure of £70,673, exclusive of depreciation of investments and transfer to the Research Fund, by £120.

Comparative figures of the expenditure and the revenue for the past five years are given in the following table :—

	<i>Revenue.</i>		<i>Expenditure.</i>	
	<i>Ordinary.</i>	<i>Total.</i>	<i>Ordinary.</i>	<i>Total.</i>
	£	£	£	£
1934	101,584	102,700	37,519	54,463
1935	49,633	49,813	44,829	59,806
1936	57,944	64,505	41,115	51,702
1937	69,656	85,599	68,248	81,289
1938	61,619	70,553	58,612	70,673

The Colony has no public debt. The excess of assets over liabilities on the 31st of December, 1938, amounted to £280,809.

Investments.—During the year a sum of £16,000 was transferred to the Reserve Fund of the Colony from General Revenue Balance.

In accordance with the provisions of Ordinance No. 8 of 1938 a Government Employees Provident Fund was inaugurated in 1938. The balance of the fund at the close of the year stood at £2,864 19s. 10d.

Colonial Development Fund.—In December, 1938, a sum of £3,200 was received from the Colonial Development Fund as the major portion of a free grant made to the Colony towards the cost of improvement of pastures and to cover the expenses of a technical expert who visited the Colony in 1937 to carry out an analysis of the pastures with a view to their subsequent improvement.

The Falkland Islands Reserve Fund which stood at £34,000 on the 31st of December, 1937, was increased to £50,000 during the year 1938.

The principal heads of taxation are :—

- (1) Customs import and export duties.
- (2) Rates levied on house property.

Customs import duties are payable on wines, malt, spirits, tobacco and matches, at the following rates :—

Wines	...	3s. a gallon in bulk or 3s 6d. a dozen bottles of reputed pints.
Malt	...	6d. a gallon in bulk or 6d. a dozen bottles of reputed pints.
Spirits	...	20s. a gallon.
Tobacco	...	4s. a pound.
Matches	...	For every gross of boxes not exceeding 10,000 matches, 4s.

A preferential rate of nine-tenths of the duty is allowed on tobacco and cigarettes of Empire production and manufacture and matches of Empire manufacture and provenance are admitted duty free.

Export duties are collected on wool, whale oil and seal oil at the following rates :—

Wool	1s. for every 25 lb.
Whale oil and seal oil	1s. 6d. for every barrel of forty gallons, or 9s, a ton.

The receipts from each source in 1938 were as follows :—

	£
Import Duties	7,203
Export Duties	7,244
Rate on house property	869

There are no excise or stamp duties and no hut tax or poll tax.

PART II.—THE DEPENDENCIES.

I.—GEOGRAPHY, CLIMATE, AND HISTORY.

General.

The Dependencies are divided into two main groups, the one consisting of South Georgia with the South Orkneys and the South Sandwich Islands, and the other of the South Shetlands with Graham's Land. Large areas of land in the Antarctic Continent are also comprised in the Dependencies.

Geography.

The island of South Georgia lies about 800 miles to the east of the Falkland Islands, in $54\frac{1}{2}^{\circ}$ south latitude, the South Orkneys and the South Sandwich Islands being 450 miles to the south-west and south-east, respectively, of South Georgia. The northern point of the South Shetlands is about 500 miles to the south of the Falkland Islands. South Georgia with the South Orkneys and South Sandwich group of Dependencies is bounded by the fiftieth parallel of south latitude and by the twentieth and fiftieth meridians of west longitude, and the South Shetlands and Graham's Land by the fifty-eighth parallel of south latitude and by the meridians of longitude fifty and eighty west. South Georgia is the principal island in the Dependencies and is the only portion of them inhabited throughout the year except for the meteorological station which is maintained by the Argentine Government on Laurie Island in the South Orkneys. It has an area of about 1,450 square miles (statute), is about 100 miles in length with a maximum breadth of 20 miles, and consists mainly of steep mountains from which glaciers descend. There is but little flat land and the island is almost entirely barren, the south-west side being permanently

frozen. The main vegetation is some coarse grass which grows on the north-eastern side of the island, where the snow melts in the summer. There are no indigenous quadrupeds other than seals but reindeer have been introduced and are thriving well. There are many sea-birds including penguins and albatrosses. The sea-elephant, the sea-leopard and the Weddell's seal frequent its shores. The coast line has been indifferently charted but much useful work has been done in this direction during the past five years by the "Discovery" Expedition and the British Graham Land Expedition.

Climate.

Although Grytviken in Cumberland Bay, South Georgia, is little over a hundred miles further south than Stanley the difference in climate is very marked, that of the former approximating closely to conditions in the Antarctic. The mountains are ice-bound and snow-capped throughout the year and glaciers descend on a grand scale right to the sea. During the year 1938 the average mean temperature was 35.08° Fahrenheit. Rain fell on 76 days and snow or sleet on 73 days.

Within recent years instances of volcanic activity at Deception Island, South Shetlands, have been frequent. The first earthquake of which there is any definite record occurred in 1923, though it is stated by some of the whaling community that shocks were felt in 1912. In February, 1924, a strong tremor was experienced when a large rock forming the crest of a natural arch, and known locally as the "Sewing Machine," at the approach to Port Foster was disturbed, and, in 1925, during the absence of the whaling factory *Ronald*, one of the giant columns in the entrance of the harbour disappeared. Again, in the season 1928-9 several earthquake shocks were felt, the most pronounced being in March, 1929, when a large quantity of rock fell, completely changing the formation of the ridge on the east side of the harbour. The water in the harbour of Port Foster frequently becomes agitated by the subterranean heat, the shores in places being completely obscured by the dense vapour emitted.

History.

South Georgia and the South Shetland Islands were sighted and taken possession of for Great Britain by Captain Cook in 1775, and the South Orkneys were discovered by Captain Powell of the British ship *Dove* who landed on Coronation Island on 7th December, 1821, and took possession of the group in the name of King George IV. The South Shetlands were discovered by Mr. W. Smith in the brig *Williams* in 1819 and were examined by Captain Bransfield in 1820. Captain Bransfield also discovered the first part of Graham's Land and Mr. John Biscoe discovered the west coast in 1832. Profitable sealing voyages to South Georgia were made prior to 1793 and British whalers are reported there in 1819. The fur-seal

industry in the Dependencies achieved such proportions in the early part of the nineteenth century that expeditions were made to them in the two seasons 1820-1 and 1821-2 by no less than 91 vessels. So recklessly did they slaughter, however, that they are said practically to have exterminated the fur-seal, James Weddell stating that in 1822-4 these animals were almost extinct.

The meteorological station on Laurie Island in the South Orkneys to which reference has been already made was established in 1903 by the Scottish Antarctic Expedition under Mr. W. Bruce and was transferred by him in 1904 to the Argentine Government. Valuable contributions to the survey of the Dependencies have been made in recent years by the ships under the direction of the Discovery Committee, particularly the R.R.S. *Discovery II*. Knowledge of the South Georgia coast was much advanced in the years 1926-30, the South Sandwich group was surveyed in 1930, extensive running surveys were made in the South Orkneys in 1933, and from time to time in the South Shetlands.

II.—GOVERNMENT.

Constitutionally the Dependencies are subject to the same authority as the Colony proper, that is to say to the Governor and to the Executive and Legislative Councils. Ordinances enacted by the latter body, however, in respect of the Colony do not have application to the Dependencies unless they are specially applied.

The Dependencies, in contradistinction to the Colony, are peopled almost exclusively and utilised mainly by foreigners and are governed from the Falkland Islands with a central administration in common. A resident Magistrate and official staff are maintained at South Georgia, and control over whaling operations in the other Dependencies is carried out by representatives of the Government who accompany the expeditions.

There is no local government in South Georgia ; in fact there are no communities other than the whaling stations which are run by the managers on behalf of the several companies owning them.

III.—POPULATION.

There is no permanent population in the Dependencies except in South Georgia where the figures fluctuate with the seasons of the whaling industry. The population in South Georgia is resident either at the privately-owned whaling stations or at the Government Headquarters at King Edward Cove in Cumberland Bay. During the summer it approximates to 750, practically all males, but during the winter it is not more than one-third of that number. The British inhabitants of South Georgia are limited practically to the Government staff and to the crews of British vessels. The remainder are almost exclusively Norwegian. No deaths, births or marriages occurred in the Dependencies in 1938.

IV.—HEALTH.

There is little or no sickness in the Dependencies, even colds being of rare occurrence. Some unhealthiness, however, arises from the lack of fresh food-stuffs.

The Government does not maintain a Medical Officer in the Dependencies, but the whaling companies provide their own doctors, the Government contributing a share of the salary of the Medical Officer resident at Grytviken. In the Dependency of South Georgia there are well-equipped hospitals maintained by the whaling companies.

Weather conditions were very bad during the year but health conditions were relatively good except that the monotony of the climate and the lack of sunshine tended to produce a state of mental depression.

V.—HOUSING.

The housing question does not really arise in the Dependencies. All the officials are suitably housed in quarters at King Edward Cove and the accommodation provided by the whaling companies for the personnel working on their stations may be said to be fully adequate.

VI.—NATURAL RESOURCES.

Apart from sealing on a small scale, the only industry in the Dependencies is whaling, and whale and seal oil and by-products of the whale, such as guano, are their sole products. The whaling season is restricted to the period from 16th October to 16th April, and sealing operations are carried on at South Georgia during the period 1st March to 31st October.

At South Georgia two stations only conducted operations while the land station at Deception Island remained closed. No floating factories operated under licence from the Government. The price of whale oil in 1938 ranged from £11 to £17 a ton according to grade.

In spite of adverse weather conditions the season was a successful one. 1,675 whales were taken as compared with 1,887 whales in the 1937-38 season. The total catch was made up of 1,307 fin, 232 blue, 117 sperm and 19 sei whales.

The quantity of oil produced amounts to 111,291 barrels with an average per "standard" whale of 109.1 barrels. 101,436 bags of guano were also produced.

For comparative purposes, the following table shows the actual catch, "standard whales," the oil and guano production, and the average for the season under review and the four preceding seasons:—

	1934-5.	1935-6.	1936-7.	1937-8.	1938-9.
Actual catch of whales	1,575	1,785	1,759	1,887	1,675
"Standard" whales	1,022	1,493	783	932	928
Oil produced (lbs.) ...	108,261	143,192	81,089	90,266	111,291
Guano (bags) ...	91,073	114,666	80,378	95,576	101,436
Averages—					
Oil (lbs.) ...	105.90	95.90	103.56	96.85	109.1
Guano (bags) ...	89.09	76.80	102.65	102.54	98.3

The total value of the season's production is estimated at £294,771 of which £205,978 represents the value of oil, and £88,793 guano.

VII.—COMMERCE.

The whole of the Dependencies requirements in foodstuffs is of necessity imported.

The total value of imports and exports for the year under review and each of the preceding four years is shown in the following table:—

IMPORTS.					
	1934.	1935.	1936.	1937.	1938.
	£	£	£	£	£
Food, drink and tobacco ...	7,898	9,804	8,340	11,430	9,959
Raw materials and articles mainly unmanufactured.	72,745	70,547	77,554	141,469	79,186
Articles wholly or mainly manufactured.	124,211	96,888	174,673	218,142	183,604
Miscellaneous and unclassified	—	—	—	182	159
Bullion and specie ...	—	—	—	—	—
Total imports, including impor- tations from the "high seas" for re-exportation.	£204,854	177,239	£260,567	£371,223	272,908

The decrease in the value of the total imports in 1938 is due to smaller importations of whale products from the "high seas" and to the fact that importations of oil fuel in 1937 were much in excess of actual requirements.

EXPORTS.					
	1934.	1935.	1936.	1937.	1938.
	£	£	£	£	£
Whale bone ...	2,200	1,221	1,362	728	810
Bone meal ...	1,521	1,589	4,454	4,401	—
Guano ...	65,838	62,768	70,268	34,328	39,532
Hardware, etc. ...	440	3,460	1,720	3,600	2,320
Seal oil ...	14,806	4,230	33,738	32,496	23,714
Whale oil ...	359,881	245,815	444,639	305,049	372,527
Whale meat meal ...	—	—	—	26,044	23,875
Other articles ...	10,800	6,400	—	—	134
Total exports including re- exports.	£455,486	325,483	556,181	406,646	462,912

RE-EXPORTS.

	1934.	1935.	1936.	1937.	1938.
	£	£	£	£	£
Whale oil	93,842	60,015	133,658	178,190	211,361
Whale meat meal	—	—	—	4,574	—
Guano	—	—	4,667	—	—
Total re-exports	£93,842	60,015	138,325	182,764	211,361

Imports.

The percentage of total imports provided by the British Empire and foreign countries, excluding importations from the “high seas” for re-exportation, for the year under review and each of the preceding four years is given below :—

	1934.	1935.	1936.	1937.	1938.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
British Empire ...	29·70	48·50	24·74	19·94	32·37
Foreign Countries ...	70·30	51·50	75·26	80·06	67·63

The principal supplying countries were :—

	1934.	1935.	1936.	1937.	1938.
	£	£	£	£	£
United Kingdom ...	32,968	50,029	29,751	37,583	39,211
British West Indies ...	—	6,048	—	—	—
Argentine	5,524	7,505	3,952	3,710	3,801
Canary Islands	6,345	8,842	8,975	7,950	—
Cape Verde Islands ...	—	—	—	10,292	—
Denmark	—	2,583	4,317	—	3,150
Dutch West Indies ...	41,610	24,184	36,005	103,473	57,127
Holland	670	—	5,551	6,206	—
Norway	14,180	16,564	31,693	19,245	17,840

The decrease in the values of imports in 1938 from Canary Islands, Cape Verde Islands and Dutch West Indies is due to the fact that importations of oil fuel from these countries were much in excess of actual requirements in 1937.

The principal articles imported during 1938 and the previous year were as follows :—

	1937.	1938.	Principal sources of supply with
	Value.	Value.	value in £.
Provisions ...	£ 9,028	£ 7,917	United Kingdom (2,383), Norway (3,087), and Argentine (2,094).
Coal, coke and oil fuel.	140,124	76,966	Dutch West Indies (57,045), United Kingdom (19,501), and Norway (420).
Bags and bagging	4,456	4,594	United Kingdom (4,594).
Canvas, rope, etc.	4,379	680	United Kingdom (529), and Denmark (148).
Hardware ...	17,229	16,510	Norway (8,521), United Kingdom (5,094), Denmark (2,262), and Argentine (601).
Paints and oils ...	2,847	3,229	United Kingdom (21,271), and Norway (966).

Exports.

The percentage of domestic exports sent to the British Empire and foreign countries for the year under review and each of the preceding four years is given below :—

			<i>British Empire. Per cent.</i>	<i>Foreign Countries. Per cent.</i>
1934	...	...	98·65	1·35
1935	...	...	92·14	7·86
1936	...	...	41·93	58·07
1937	...	...	39·31	60·69
1938	...	...	71·37	28·63

The principal countries of destination were :—

		1934.	1935.	1936.	1937.	1938.
		£	£	£	£	£
United Kingdom...	...	438,681	293,999	191,902	159,846	205,726
Argentina...	...	5,606	12,084	70	9,065	180
French West Africa	...	—	13,000	—	—	—
Canary Islands	...	—	—	30,000	160,255	16,700
Denmark	...	—	—	—	77,480	—
Cape Verde Islands	...	—	—	177,040	—	29,360
Holland	...	—	—	15,385	—	—
Norway	...	—	—	42,380	—	36,220

The values and quantities of the principal domestic exports for the years 1937 and 1938 are given in the table below :—

	1937.		1938.	
	<i>Value.</i>	<i>Quantity.</i>	<i>Value.</i>	<i>Quantity.</i>
	£	tons	£	tons
Whale bone	728	49	810	47
		bags		
Bone meal...	4,401	10,867	—	—
		bags		
Guano	34,328	61,632	39,532	64,973
Hardware	3,600	—	2,320	—
		brls.		brls.
Seal oil	32,496	11,953	23,714	11,857
Whale oil	126,859	36,246	372,527	182,861
		bags		bags
Whale meat meal...	21,470	42,490	23,875	76,998

Re-exports.

The re-exports from the Dependencies consist of whaling products from the “high seas” produced by pelagic whaling companies operating in the ice.

The values and quantities of the re-exports from South Georgia for the year 1937 and the year under review were as follows :—

	1937.		1938.	
	<i>Value.</i>	<i>Quantity.</i>	<i>Value.</i>	<i>Quantity.</i>
Whale oil	£ 178,190	brls. 47,058	£ 211,361	brls. 102,328
Whale meat meal...	4,574	bags 8,695	—	—
Guano	—	—	—	—

There have been no imports or exports of coin or notes during the past five years.

VIII.—LABOUR.

Labour in South Georgia and on board the floating factories is especially recruited on contract terms. The average number of men employed during the whaling season from October to April is some 700 and the average number of hours worked per week is 54. During the remainder of the year the number decreases to about 200 and the average number of hours per week worked without overtime to 40.

Some 30 Falkland Islands labourers were employed on the two land stations at South Georgia and also on board the floating factories belonging to Messrs. Chr. Salvesen and Company, of Leith, Scotland. It is a condition of the leases of the land stations at South Georgia that up to 5 per cent. of the workers, exclusive of the maintenance staff, must be recruited in the Falkland Islands and supplied by the Government if suitable men are available.

IX.—WAGES AND COST OF LIVING.

The bonus system on production is generally in vogue, the total earnings of an ordinary labourer ranging from £10 to £15 a month with all found. There are no shops and no private trade in the Dependencies and all food-stuffs are provided by the whaling companies for the personnel engaged on their stations. The question of the cost of living does not, therefore, arise.

X.—EDUCATION AND WELFARE INSTITUTIONS.

There are no children in the Dependencies and the problem of education does not therefore arise.

In South Georgia private cinematograph shows are run by the whaling companies for the benefit of the men employed on their stations. Football is played during the summer months and interest is taken in other forms of sport such as ski-ing during the deep snow of the winter months.

XI.—COMMUNICATIONS AND TRANSPORT.

As has been stated in Chapter XI, Part I, of this Report, communication with South Georgia and Stanley is maintained by the Falkland Islands Company's s.s. *Lafonia*, a vessel of some 1,800 tons which makes two voyages during the year for the conveyance of mails to and from South Georgia. Opportunities occur not infrequently during the whaling season for the despatch of mails between Europe and South Georgia direct and there is a fairly reliable service three times in the year between Buenos Aires and Grytviken furnished by the motor auxiliary s.s. *Tijuca* of the Compania Argentina de Pesca. The majority of the vessels of the high seas whaling fleet call at South Georgia on their way to the fishing grounds in November and also on their return journey in April.

Mails are received and despatched either direct or via Stanley by opportunities as they occur. Postal rates in the Dependencies are the same as from and to the Colony proper.

There is a wireless station at Grytviken maintained by the Government which is in regular communication with Stanley through which traffic is passed beyond the limits of the Colony. The Argentine Government is permitted to maintain a wireless station on Laurie Island, in the South Orkneys.

Telegraphic charges from South Georgia to the United Kingdom via Falkland Islands Radio are 1s. 4½d. a word for ordinary, 11d. a word for code, and 8¼d. a word for deferred messages.

No railways or roads exist in the Dependencies. Two floating docks are maintained at South Georgia, by the whaling companies, one at Grytviken and the other at Stromness Harbour. At Grytviken the dock has an overall length of 133 feet and a breadth of 34 feet with a lifting capacity of 600 tons. It is capable of taking vessels up to 140 feet in length and drawing 15 feet 6 inches. Stromness dock is 150 feet long, 34 feet wide and its lifting capacity is 700 tons. It will accommodate vessels up to 160 feet in length and 15 feet in draught.

There are two ports of entry only in the Dependencies, one at Grytviken, South Georgia, and the other at Port Foster, Deception Island, in the South Shetlands.

The number, nationality, and description of the vessels which entered at South Georgia in 1938 are given in the table below:—

Nationality.	Steam.		Sailing.	
	Vessels.	Tonnage.	Vessels.	Tonnage.
British	52	101,300	—	—
Foreign (mostly Norwegian) ...	34	54,921	1	497
	86	156,221	1	497

XII.—PUBLIC WORKS.

No public works of importance or interest were carried out by the Government during the year.

XIII.—JUSTICE AND POLICE.

The Magistrate, South Georgia, sits at Grytviken in a court of first instance and the Supreme Court of the Colony at Stanley is common to all the Dependencies. One constable is stationed at South Georgia. No cases of serious crime came before the Courts during the year. The personnel of the whaling industry forms a most peaceful and law-abiding community, rarely calling for intervention of the civil authorities. A very high standard of discipline is maintained by the managers of the several whaling stations.

XIV.—LEGISLATION.

See under Chapter XIV of Part I of this Report.

XV.—BANKING, CURRENCY, AND WEIGHTS AND MEASURES.

No banks of any description are in existence in the Dependencies. The same facilities as are afforded in the Colony through the Treasury at Stanley by the Government Savings Bank for deposit or by the Commissioner of Currency for remittance, are available in South Georgia through the agency of the Magistrate.

The legal tender currency is British sterling and Falkland Islands £5, £1 and 10s. notes.

Weights and measures are generally British or Norwegian standard. Whale and seal oil is calculated by the barrel at six barrels of forty gallons to the ton, and guano and other by-products of the whale in hundreds of pounds or in kilograms.

XV.—PUBLIC FINANCE AND TAXATION.

The revenue of the Dependencies is derived almost entirely from whaling industry and amounted in 1938 to £11,547. Export duty on whale oil and guano fell short of anticipated receipts by £3,474, while short falls were recorded under Internal Revenue—Licences—£650 and Rents—“Crown” Lands—£998. The expenditure for the year amounted to £11,547 which is equal to the revenue collected.

Comparative figures of the revenue and the expenditure for the past five years are given in the following table:—

				<i>Revenue.</i>	<i>Expenditure.</i>
				£	£
1934	...	...	...	14,892	14,892
1935	...	...	...	12,617	12,617
1936	...	...	...	24,344	19,851
1937	...	...	...	12,942	12,942
1938	...	...	...	11,547	11,547

The Dependencies have no public debt. The surplus of assets over liabilities on the 31st of December, 1938, amounted to £200,667, all of which is earmarked for the Research and Development Fund.

The principal heads of taxation are Customs duties on the importation of alcoholic liquors and tobacco, and on the exportation of whale and seal oil and other products of the whaling industry such as guano. The amount collected by way of import duties in 1938 was £549, while export duties amounted to £8,326. The Customs tariff on importation is the same as in the Colony. Export duty on whale and seal oil was fixed at 1s. 6d. per barrel of 40 gallons or 9s. a ton. No change was made in the rate of export duty on guano which remained at 1½d. per 100 lb.

As in the Colony proper there are no excise or stamp duties, and no hut tax or poll tax.

APPENDIX.

BIBLIOGRAPHY.

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<i>Title.</i>	<i>Author.</i>	<i>Date.</i>	<i>Publisher.</i>	<i>Price.</i> s. d.
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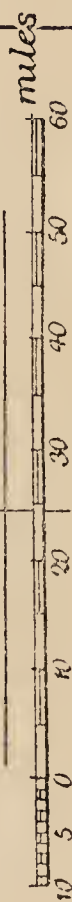
Annual.

The above publications, except those marked *, may be consulted in the Library of the Colonial Office.

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